

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2021-6-G - ORDER NO. 2021-663(A)  
OCTOBER 12, 2021

IN RE:	Application of Dominion Energy South	)	AMENDED ORDER
	Carolina, Incorporated to Have the Terms	)	APPROVING QUARTERLY
	of the Natural Gas Rate Stabilization Act	)	MONITORING REPORT AND
	Apply to the Company's Rates and	)	APPROVING ADJUSTMENTS
	Charges for Gas Distribution Services	)	TO RATES AND CHARGES
		)	FOR GAS DISTRIBUTION
		)	SERVICES

This is an amended Order correcting a scrivener's error in the case caption which erroneously referenced a "Settlement Agreement." There was no Settlement Agreement in this case, and the Order case caption has been changed to properly reflect that fact. The Order is, in all other regards, identical to Order No. 2021-663.

This matter comes before the Public Service Commission of South Carolina (the "Commission") pursuant to S.C. Code Ann. §§ 58-5-400 *et seq.*, the Natural Gas Rate Stabilization Act ("RSA"), as related to Dominion Energy South Carolina, Incorporated. ("Dominion," "DESC" or the "Company"). Order No. 2005-619 established a baseline return on equity for the Company under the Act, based on the Company's last rate case. Section 58-5-455 sets out a procedure for the handling of monitoring reports under the Act related to the quarter ending March 31<sup>st</sup> of each year.

**INTRODUCTION AND APPLICABLE LAW**

In compliance with S.C. Code Ann. § 58-5-430 (2015) and § 58-5-440 (2015) of

the RSA, the Company filed its quarterly monitoring report for the twelve month period ending March 31, 2021, and proposed adjustments to its rates and charges necessary to provide Dominion with the opportunity to earn the midpoint of the range of rate of return on common equity as established in Dominion's most recent general rate case for natural gas service in Docket No. 2005-113-G.<sup>1</sup> The only two parties in this matter are Dominion and the South Carolina Office of Regulatory Staff ("ORS"). There were no other parties or intervenors.

Once the Company files the monitoring report as required by S.C. Code Ann. § 58-5-455 with the Commission, the ORS and interested parties may comment on the report. Where the monitoring report indicates rate adjustments are required or where it appears to the Commission or ORS that an adjustment in rates may be warranted, ORS shall conduct an audit of the monitoring report and specify any changes that it determines are necessary to correct errors in the report or to otherwise bring the report into compliance with the statute. Parties may comment on the ORS audit. On or before October 15<sup>th</sup>, the Commission shall issue an initial order setting forth any changes required in the utility's request to adjust rates under the statute. Any gas rate adjustments authorized under the terms of the statute shall take effect for all bills rendered on or after the first billing cycle of November of that year. This present Order is the "initial order" contemplated by S.C. Code Ann. Sections 58-5-455 and 58-5-465 for Dominion. S.C. Code Ann. §§ 58-5-455 & 58-5-465 (2015).

### **DISCUSSION**

On June 15, 2021, DESC filed its Quarterly Monitoring Report for the twelve-

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<sup>1</sup> Order No. 2005-619 dated November 1, 2005.

month period ending March 31, 2021. ORS conducted a review of DESC's Monitoring Report to evaluate compliance with Section 58-5-430 and Section 58-5-440 of the Act, resulting in the RSA Audit Report filed by ORS on September 1, 2021. The ORS proposed certain adjustments to reported amounts to bring the report into conformance with those sections. The Company, after reviewing the ORS Audit Report, filed a letter with the Commission on September 15, 2021, in which the Company – for purposes of the RSA proceeding only – advises that it is not challenging any of the adjustments made by the ORS in its Audit Report. In the same letter, DESC attached an Exhibit A which reflects the revised rate schedules for natural gas service which incorporates all the adjustments proposed by ORS.

In accordance with the guidelines of the RSA, the Company is entitled to an adjustment in rates to achieve a return on common equity as set by Commission Order No. 2005-619, currently 10.25%. Table 1 (below) shows the requested and approved changes granted for prior RSA filings and a comparison to the current filing.

**Table 1:**

Docket No.	Order No.	Amount Requested	Change in Revenue per ORS Report	Amount Granted	Approved Return on Equity	Rates Effective
2017-6-G	2017-623	\$9,022,098	\$8,633,538	\$8,633,538	10.25%	11/1/2017
2018-6-G	2018-678	(\$18,737,191)	(\$19,716,936)	(\$19,716,936)	10.25%	11/1/2018
2019-6-G	2019-729	\$7,106,649	\$6,273,054	\$6,273,054	10.25%	11/1/2019
2020-6-G	2020-701	\$8,630,682	\$7,186,187	\$6,326,995	9.90%	11/1/2020
2021-6-G	TBD	\$8,773,989	\$6,992,923	TBD	10.25%	11/1/2021

Uniquely, in Docket No. 2020-6-G, a Settlement Agreement was reached between the ORS and DESC which resulted in the Company adopting an approved

return on equity of 9.90%. This Settlement was adopted by Commission Order No. 2020-701.

In the March 31, 2021, Monitoring Report, DESC reported an adjusted rate of return of 7.41% and a return on common equity of 8.70% and requested an increase in revenue requirement of \$8,773,989. ORS examined the operating experience reported by DESC for the review period with the associated revenue requirement calculations. ORS made accounting and pro forma adjustments reducing net income for return by \$2,441,963 and decreasing rate base by \$2,493,277. After these adjustments, ORS's review determined the retail revenue increase in compliance with the provisions of the RSA of \$6,992,923, which is a reduction of DESC's request by \$1,781,066 or 20.30%.

Since DESC indicated in its September 15, 2021 letter that it does not object to the adjustments made by ORS, there is no disagreement between the parties regarding DESC's filing seeking adjustments pursuant to the RSA – as revised to reflect ORS's modifications.

### **FINDINGS AND CONCLUSIONS**

1. Dominion has elected to have the terms of the Natural Gas Rate Stabilization Act, Section 58-5-400, et seq., apply to its current rates and charges for gas distribution service.

2. S.C. Code Ann. Sections 58-5-455 and 58-5-465, a portion of the Natural Gas Rate Stabilization Act, requires the filing of certain documents and the issuance of this Initial Order.

3. Changes are required to the Company's request to adjust rates.

4. ORS has proposed certain adjustments to which Dominion does not object. Based on the accounting adjustments adopted herein, an increase in revenue of \$6,992,923 is appropriate.

5. This Commission concludes that the terms of the application by DESC are in compliance with the statutory requirements of the Natural Gas Rate Stabilization Act, S.C. Code Ann. § 58-5-400 *et seq.*, and adopts the changes and adjustments proposed by ORS and the resulting rates and charges.

6. This Commission finds the rate schedules for natural gas service submitted by the Company in its September 15, 2021 filing, attached to this Order as Order Appendix A and which incorporate the adjustments agreed to between the Company and ORS, appropriate and approves the rate schedules attached hereto.

**IT IS THEREFORE ORDERED THAT:**

1. The new rates and charges approved herein shall be effective for bills rendered on or after the first billing cycle in November 2021, subject to changes under the Company's Gas Cost Recovery Mechanism.

2. As required by Commission Order No. 2019-729, Dominion, in future RSA filings, shall identify and provide the capitalized employee incentives and associated taxes for work related to plant-in-service accumulated depreciation, and depreciation expense. ORS can only make recommendations based on information provided by the Company. Renewing this requirement ensures that ORS will have all pertinent information for future RSA filings.

3. If it has not already done so by the date of issuance of this Order, the

Company shall file its revised tariff utilizing the Commission's e-filing system for tariffs prior to its first billing cycle in November 2021. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<https://dms.psc.sc.gov/Web>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<https://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. Each tariff sheet shall contain a reference to this Order and its effective date at the bottom of each page. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

4. Dominion shall provide a reconciliation of each tariff rate change approved as a result of this Order to each tariff rate revision filed in the ETariff system. Such reconciliation shall include an explanation of any differences and be submitted separately from the Company's ETariff system filing.

5. If it has not already done so by the date of issuance of this Order, the Company shall file a schedule showing the revenue produced by each and every tariffed rate approved by the Commission and reconcile the revenue produced, by tariffed rate, to the revenue requirement approved in this Order.

6. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Florence P. Belser, Vice Chair  
Public Service Commission of South  
Carolina

